

Research Update

Fubon Life Insurance Co. Ltd. Ratings Affirmed At 'twAA+'; Outlook Stable

October 29, 2019

Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA+' long-term insurer financial strength and issuer credit ratings on **Fubon Life Insurance Co. Ltd.** The outlook on the ratings is stable.

The ratings on Fubon Life continue to reflect the insurer's better earnings resilience, good domestic market position, established business franchise from its large operating scale, high level of controlled distribution channels, and good underwriting risk control compared with other life insurers' domestically. However, we assess Fubon Life's capitalization to be only fair, which although in line with the local peer average, is slightly weaker than that of its international peers. This is despite our assessment of Fubon Life's capital and earnings as satisfactory after consideration of the insurer's track record on asset and liability risk control, as well as the managed market risk volatility of its domestic equity investments. Fubon Life Insurance's investment leverage and foreign exchange risk exposure are also comparatively higher than that of its regional peers, which makes the insurer susceptible to global capital market volatility.

Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- Understanding Taiwan Ratings' Rating Definitions, www.taiwanratings.com - June 26, 2018
- Criteria | Insurance | General: Insurers Rating Methodology - July 01, 2019
- Criteria | Insurance | General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model - June 07, 2010
- General Criteria: Hybrid Capital: Methodology And Assumptions - July 01, 2019
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009
- General Criteria: Principles For Rating Issuers Based On Imputed Promises - December 19, 2014

(Unless otherwise stated, these articles are published on www.standardandpoors.com, access to which requires a registered account)

Ratings List

Ratings Affirmed

Fubon Life Insurance Co. Ltd.

Issuer Credit Rating	twAA+/Stable
Financial Strength Rating	twAA+/Stable

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